

SOLIHULL COLLEGE AND UNIVERSITY CENTRE

MINUTES OF THE CORPORATION MEETING HELD ON TUESDAY 7th FEBRUARY 2017 AT THE BLOSSOMFIELD CAMPUS

PRESENT: John Bolt (Chair)
Stan Baldwin
Scott Beasley
John Callaghan (Principal)
Jane Coleman
Mark Hayes
Joe Kelly
Summiya Khan
Paul Large
Lucy Lee (*left at 7pm*)
Sukhdeep Nijjar
Geraldine Swanton (*by telecom*)

IN ATTENDANCE: Lindsey Stewart (Deputy Principal)
Heather Evans (Vice Principal Finance)
Pete Haynes (Vice Principal HR and Student Services)
Beth Selwood (Vice Principal Teaching, Learning and Assessment)
Theresa Lynch (Clerk to the Corporation)

Sukhy Nijjar, new governor, was welcomed to her first meeting and introductions were made.

It was **agreed** to take item 6 Budget Re-forecast 2016-17 and Financial Plan first.

1. Apologies for Absence

Apologies were received from Barbara Hughes, Phil Mayhew and Alex Palethorpe.

2. Declarations of Interest regarding this Agenda

There were no new declarations of interest.

3. Minutes of the Meeting held on 13th December 2016 and matters arising

The minutes of the meeting held on 13th December 2016 were **agreed** as a correct record and were signed by the Chair.

4. Strategic Partnerships: Institute of Technology and Industrial Strategy Presentation

The Deputy Principal gave a presentation to provide an update on progress in relation to the Institute of Technology to give a briefing for governors in relation to the government's Industrial Strategy.

It was noted that BMet were leading the development of the Institute of Technology, but that it was going to be a hub and spoke entity using provision from partners involved, rather than a new build in Birmingham city centre. A submission had been made to the DfE for capital funds to continue the development. Funding would be aimed at removing barriers for the development of provision at the partner institutions.

Q. What role do the partner universities have?

A. They are involved in the steering group. This is not a priority for them, but they are party to discussions and developments.

Q. How successful have UTCs been?

A. There has been mixed success. Those backed by universities or a strong employer have had the most success, but others have closed. The main issue seems to be entry at 14, which has provided difficult.

5. **Strategic Development Session Notes from 21st January 2017**

The Chair explained that feedback from the Governors' Development Day on 21st January 2017 had indicated a wish to further discuss strategic developments. Governors were invited to discuss developments further.

An update on the Apprenticeship Organisation (AppOrg) was requested and the Principal explained progress to date. He confirmed that the Director would be appointed shortly with an appointment to July 2018. The Director would work to develop the business plan, including the likely impact on existing apprentice provision. It was noted that only 1.7% of employers would be levy payers, with the majority of SMEs not being included. The College worked closely with SMEs in terms of apprenticeships, so it was anticipated that this would continue to be the case. The main strategies for development of the AppOrg was to target higher banded courses and higher level degree apprenticeships. The new approach to development of the AppOrg was lower risk and presented an opportunity for the impact of the levy to embed, whilst the College had a structure for responding to employer needs. Discussion took place regarding the need to set KPIs in relation to the success criteria for the AppOrg to be able to measure short, medium and long term outcomes.

Q. Whilst the plan is to target the public sector, aren't companies with just over £3m payroll costs a good area to target too?

A. These will be targeted and partnerships developed.

Q. The College's levy will be £60k – how will this be dealt with?

A. A strategy was being developed to address how this may be spent. There may be a large uptake by staff, so there may be a need to prioritise based on College needs.

Q. Had there been any progress outlining the relationship with BMet in the new AppOrg structure?

A. The relationship would be confirmed in due course, as the AppOrg is further developed.

ACTION.

The unique selling points of the College were discussed and it was noted that they relate to location, the University Centre brand, the strong reputation of the College and financial stability.

Discussion took place regarding student surveys and feedback about good student/staff relationships that support retention. The Teaching Excellence Framework would provide further information about the College's standing in relation to HE.

It was suggested that the agenda for the May development session could be based on having long term consideration about some key strategic areas and identification of key risks. It was **agreed** that at the next Corporation meeting the agenda for the development session would be discussed further. **ACTION.**

6. **Budget Re-forecast 2016-17 and Financial Plan**

6.1 Dashboard: Finance and Funding

The Vice Principal Finance presented the funding and funding dashboard areas at November 2016 and provided an explanation for those areas that were not showing as green:

- HE – it was noted that traditional full time HE numbers were lower due to unconditional offers being made by many universities.
- Tuition fees – with fewer adult students tuition fee income has reduced.
- 16-18 apprenticeships – this area was expected to exceed budget.

It was noted that the number of adult learners was significantly lower than 2015/16. This was a national trend with 20% lower nationally. The impact of universities making unconditional offers was discussed and it was noted that this had an effect on intake, but also on the incentive for current students to complete and pass their qualifications.

6.2 Budget Re-forecast 2016-17 and Financial Plan

The Vice Principal Finance presented the budget re-forecast for 2016/17 and the 3 year financial plan. She explained that following the revision in relation to whether there was going to be a demographic decline for the College, the figures reflected growth in most areas. It was noted that there would be a financial decline in 2017/18. However, funding information had not yet been confirmed by SFA. Apprenticeships were set at 10% growth and it was anticipated that over delivery would be funded. It was suggested that as more information was known about the apprenticeship levy and the potential impact for the College, a briefing for governors would be useful at a future meeting.

The Deputy Principal confirmed that work was underway to re-engage partners in relation to adult programmes in areas such as youth employment initiatives and unemployment offer. This was a positive move in terms of working in the community.

Q. Where sub-contracting is being used for increasing income, only 20% will come to the College, so where will the other 80% be found?

A. This would be found within the budget. The December PMR would provide further clarity in relation to where this amount would come from, including the AppOrg income, depreciation and other non-pay savings.

It was anticipated that there would be growth through the degree level apprenticeships. 6% growth was expected, particularly in business and engineering. Validation would still be through the partner HEIs.

Q. The process to find pay savings gets more difficult each year and choices will become more significant – how is this being managed?

A. It will become more difficult and more fundamental choices will be required. This could include issues around breadth of provision, pay award etc, but these issues would be fully discussed with the Corporation.

Q. There have been a number of years where organisations have had limits on pay increases. Has this affected the College, particularly in relation to staff recruitment?

A. The College has continued to make the pay award, unlike other organisations. Further, the College is seen as relatively stable in the sector, so compares well with other local colleges. Staff do take a wide range of issues into consideration when deciding to apply to the College, other than pay.

Q. Will there be more information available in relation to the savings required for this financial year and the next year?

A. Further information will emerge through the business planning process. Details will be shared with Corporation in due course, following the completion of this process. Further, the budget issues have been shared with the College Management Team and they are working with departments to encourage greater student recruitment

Q. Inflation is expected to increase – how will this be dealt with?

A. The budget and financial plan assume inflation will be absorbed. If it rises markedly, then

there would need to be a review of this and the pay award may need to be reconsidered.

The Vice Principal Finance explained that FRS102 had had an impact on how the management accounts were presented and the financial KPI relating to a 1% surplus was no longer appropriate for the Corporation to monitor financial performance. She explained that a finance expert group would be meeting to discuss the amended and appropriate KPIs and how these would be represented in the PMR. This would then be reported back to Corporation. **ACTION.**

7. **Sub-contracting Update**

The Deputy Principal presented the sub-contracting report.

Q. What programmes will be delivered by the two new partners, The Skills Network and Learning Curve?

A. They will deliver certificate programmes: health and social care, dementia, mental health and autism courses. They will largely be short course that tend to have good success rates. This should have a positive impact on level 2 outcomes.

Q. Does this provision fit with the Colleges mission?

A. Yes, they are courses already delivered by the College and this allows unqualified workers to get qualifications to enable them to move onto apprenticeships. These courses have also been offered to own staff and will be offered to schools and Solihull MBC.

RESOLVED to approve the issuing of a contract to The Skills Network (£250k) and Learning Curve (£250k) to provide Adult AEB courses.

8. **Treasury Management Report and Policy Review**

The Vice Principal Finance presented the report and explained that the possibility of making an additional payment towards the pension deficit was currently being explored. The payment would have to be made before 31st March 2017, so a decision at the next Corporation meeting would be required. **ACTION.** It was suggested that the Finance Expert Group consider this in more detail and report back.

RESOLVED to approve the Treasury Management Policy.

9. **Bank Mandate**

The Vice Principal Finance presented the report and explained that there had been changes in the finance team, requiring changes to the bank mandate.

RESOLVED to approve the amendments to the Bank Mandate, as set out.

10. **Property Update**

The Property Report was deemed confidential due to commercial sensitivity.

11.

REGULAR UPDATES FOR INFORMATION

11.1 Tender Update

The contents of the Tender Update Report were noted.

11.2 Bids and Projects Update

The contents of the Bids and Project Report were noted.

11.3 Use of College Seal

The contents of the Use of the College Seal Report were noted.

12. Date of the next meeting

The next meeting would take place on Monday 13th March 2017 at 6pm.

The Chair explained that there would be a meeting at 4pm with governors from Heart of Worcestershire College, who had requested to meet to discuss the experience of re-inspection.

13. GOVERNANCE STANDING ITEMS

13.1 Membership

The contents of the Membership Report were noted.

13.2 Register of Interests for Governors and members of EMT

The contents of the Register of Interest were noted and governors were asked to notify the Clerk if any changes were required.

13.3 Training Log

The contents of the Training Log were noted.

The meeting ended at 8.20pm.

Signed: JRBolt Date: 13 March 2017.